free trade principles. The conclusion of economically meaningful bilateral trade agreements, coupled with an aggressive campaign for global trade liberalization, will reestablish our credibility and leadership on free trade and energize the American and global economies. America and the world will be better off as a result.

Mr. COCHRAN. Mr. President, a year ago, with the support of American agriculture, Congress approved legislation granting trade promotion authority to President George W. Bush. The President has demonstrated a strong commitment to expanding the American economy by actively engaging in an aggressive trade strategy. This strategy includes negotiations with Chile and Singapore, regional efforts with the Free Trade Area of the Americas, and the Central American Free Trade Agreement talks, and with the World Trade Organization.

Congress has had unprecedented access and consultation with negotiators, resulting in agreements without hidden compromises or concessions. Public hearings in the Senate and the House have enabled agricultural groups and others who have a stake in these negotiations to make their views and interests known.

Both the Chile and Singapore agreements passed the other body last week by a substantial margin. It is now time for the Senate to approve the agreements.

The U.S./Chile agreement provides important new opportunities for America's farmers and ranchers. Chile is a market of more than 15 million people with an open and progressive economy. Both the European Union and Canada already have free trade agreements with Chile.

Our negotiators were successful in their efforts to eliminate duties on more than three-quarters of American agricultural products within the first 4 years. The agreements also contain a safeguard provision which will help prevent surges in trade volumes. To discourage the use of nontariff barriers, a sanitary and phytosanitary working group will ensure that standards of inspection and food are based on sound science.

The U.S./Singapore agreement has the positive effects of freer and fairer trade and they make this agreement worthy of support as well. Singapore has become our 11th largest trading partner and provides the U.S. services sector with fair and immediate increase in market access.

I urge my colleagues to vote for both the Chile and Singapore free-trade agreements.

(At the request of Mr. DASCHLE, the following statement was ordered to be printed in the RECORD.)

• Mr. KERRY. Mr. President, tonight the Senate passed implementing legislation for the Chile and Singapore Free Trade Agreements. These FTAs are comprehensive in nature and will serve well the interests of the United States. But they are not without flaws. I want the record to reflect my concerns and, more importantly, I want to make clear that I believe the direction the Bush administration is taking in the on-going negotiations over the Central American Free Trade Agreement and the Free Trade Agreement of the Americas is unacceptable.

Chile is an excellent candidate for a free trade agreement. It has one of the fastest growing economies in the world. The agreement the Senate has passed tonight should facilitate a general expansion of American exports, particularly in electronics and transportation equipment industries. This will create good work and good jobs here in America. More broadly, Chile is the first Latin American country to join in a free trade agreement with the United States, and that will allow the United States to more directly support economic and social reform in Latin America and will serve as a major stepping stone for enhanced hemispheric trade and job growth here at home.

Singapore is also an excellent candidate. Singapore is our 12th largest export market. The country provides a critical link between the United States and South East Asia and Singapore is the second largest Asian investor in the United States after Japan. Although the economic effects of the Singapore agreement are not likely to be great, this FTA would add a formal economic link to our significant security relationship with Singapore. It is an agreement that will ultimately build greater trade and create jobs here in America.

Chile and Singapore both have laudable records in financial regulation and transparency and have demonstrated a commitment to fundamental worker protections. For example, Chile has adopted several international labor rights conventions. The United States, by contrast, has adopted only two. The performance of these two countries in these areas, and their status as models of reform in their respective regions, make these trade agreements desirable. That is not to say these nations are not without problems or that further improvement is not needed. It is to make clear that these nations have made progress, are striving to improve, and that these agreements will only help them develop and enforce more advanced policies. And more importantly, these agreements will not put American workers at risk of unfair competition.

But, as I have said, there are flaws with these agreements. Over the past decade, the treatment of labor and environmental issues in trade agreements has evolved both in emphasis and enforcement. NAFTA represents an early stage in this evolution, addressing labor and environmental issues in the context of the agreement, albeit in side accords. The United States-Jordan Free Trade Agreement was the first FTA to include labor provisions in the actual text of the agreement and to subject those provisions to the same dispute settlement procedure as all other elements of the agreement.

Although the Chile and Singapore agreements should be the next step forward in this evolution towards strong and effectively enforced labor and environmental standards, they are in fact a step back. Unlike the United States-Jordan FTA, the only labor provision subject to dispute settlement is the requirement that each trading partner enforce its existing labor laws.

In addition, the Bush administration, specifically the United States Trade Representative, included provisions in this agreement related to immigration policy. The result is that America will allow the temporary entry of more than 6,000 foreign professionals for employment. This is not wise economic policy in good times and it is only worse economic policy in our current recession. Further, it amends unrelated immigration law, and I believe the Bush administration has abused fast track authority in doing so.

The final point I want to make this evening is, in my view, the most important. The Bush administration has made clear that it plans to use the Chile and Singapore FTAs as models or templates for future trade negotiations. I feel strongly that future negotiations must reflect the particular concerns and uniqueness of each trading partner. This seems obvious, but those who follow trade negotiations have warned that the Bush administration may claim that the standards of the Chile and Singapore agreements are universally applicable and, in particular, should apply to CAFTA and FTAA. Let me be as direct as possible: If the CAFTA and FTAA agreements do not include labor and environmental protections that are far, far stronger than the Chile and Singapore agreements I will oppose them as strenuously as I can.

The administration's one-size-fits-all approach will not work. Many of the nations considering inclusion in CAFTA and FTAA have no or low standards to protect workers and the environment and enforcement is nonexistent in some areas. Worker and environmental protections in the group of six Central American countries participating in CAFTA are not comparable to those in Singapore and Chile, for example. Some have not enacted or do not enforce basic labor standards that we take for granted, including bans on child and forced labor, non-discrimination and the right of workers to associate and bargain collectively. In Nicaragua and Guatemala employees cannot strike against poor working conditions, pay and benefits without government approval. And it is common for workers seeking better conditions to be physically intimidated and abused.

In CAFTA, the Bush administration is running a race to the bottom. Even basic rights, like the right to be protected from physical violence, are cast

aside in the name of business profit. That is a policy that exploits not only the people of these Central American nations, but Americans as well. It exploits American workers who are forced to compete hopelessly against companies that abide by no rules whatsoever.

Consistent with my long held views on trade, I have made the decision to do what I can to force a change of course in the CAFTA and FTAA negotiations, to ensure that those agreements enshrine, within the four corners of the agreement and with equal standing, specific labor and environmental protections that are fully enforced. I will accept no less. For example, fundamental labor standards like the right of association, the right to collectively bargain, prohibitions against child and forced labor, prohibitions against discrimination and other basic rights must be included. And these provisions must be subject to the same dispute settlement procedure as all other elements of the agreement.

I believe that trade is good for America, for our working families and for the international community. A race to the bottom—trade without rules—the sort of trade policy the Bush administration is pursuing in CAFTA and FTAA is not good for America, our workers or the international community, and I will oppose it.●

Mrs. CLINTON. Mr. President, today the Senate will vote on the Singapore and Chile free-trade agreements. Because I believe that these agreements will benefit New York and will lead to greater economic opportunities for New York companies, I will vote in support of these agreements.

Both the Singapore and Chile free-trade agreements promise to offer new opportunities for United States banks, insurance, securities and related services. These sectors are a critical part of New York's economy. These agreements also include provisions that improve intellectual property protections and open the telecommunications markets in both of these nations.

I share the concerns raised by some of my colleagues regarding the immigration provisions in these agreements. As my colleagues have pointed out, trade agreements are not the place to rewrite our immigration laws. I will be supporting Senator LEAHY's legislation to deny fast-track procedures to trade agreements that include immigration provisions. As you know, I voted against granting Trade Promotion Authority to the President and I believe the inclusion of these immigration provisions provides an example of my concerns about providing the President with Trade Promotion Authority. Despite bipartisan concerns about these provisions, Trade Promotion Authority means that we are unable to fix it.

As for the labor provisions in each agreement, the Chile and Singapore free trade agreements include obligations for each nation to enforce their own domestic labor laws. I believe that a better model for labor provisions is the United States-Jordan Free Trade agreement which included enforceable provisions to uphold International Labor Organizations, ILO, core labor standards. I am concerned that we appear to be backing away from the United States-Jordan FTA model. The labor provisions in the Chile and Singapore agreements should not be used as a model for future trade agreements.

Despite my concerns over the immigration and labor provisions, I believe that, in the aggregate, New York will benefit more from having these agreements pass than if they failed. This vote should not be interpreted as a signal as to how I will vote on future trade agreements. Rather I will look at each agreement in its totality and measure the impact of each agreement on the New Yorkers that I am privileged to represent. Because I believe that passage of the Singapore and Chile free trade agreements will lead to more jobs and greater economic growth in industries that are an important part of New York's economy, I will vote in support of these agreements.

Mr. LEVIN. Mr. President, the bills before the Senate to implement the U.S.-Chile and U.S.-Singapore free-trade agreements are being considered under fast track procedures. This means debate is limited and amendments are not in order. Senators can only vote yes or no. I opposed fast track because we should not limit the ability of Congress to improve trade agreements which may not, as some in the past have not, represent the best interest of the American worker, American farmer, or U.S. industry.

Although the U.S. International Trade Commission found the impact of a FTA with Chile and Singapore would be minimal on the U.S. economy, the U.S.-Chile and the U.S.-Singapore free-trade agreements are widely considered likely to lead to more open markets. Singapore's market is currently quite open with respect to consumer and industrial goods and imposes no tariffs on most of these products. Any remaining tariffs will be eliminated upon entry into force of the agreement. Chile's tariffs average 6 percent and they will be eliminated quickly in the agreement. For example, 85 percent of consumer and industrial goods trade becomes duty free immediately upon the entry into force of the U.S.-Chile FTA, with most of the remaining tariffs eliminated within 4 years.

Of particular interest to U.S. auto makers is Chile's commitment to eliminate its domestic tax of 75 percent on luxury automobiles over 4 years. The United States also made significant gains in opening the service sector market in both countries.

These agreements do have shortcomings. For instance, they lack a requirement to strive to achieve the core ILO labor standards that were contained in the U.S.-Jordan FTA, and instead only require each nation to enforce its own laws. They also have separate dispute settlement rules that place arbitrary caps on the enforceability of the labor and environment provisions of the agreement. This is in contrast to the U.S.-Jordan FTA which treated all commitments in the agreement to identical dispute settlement mechanisms. However, the weaker labor and environment commitments and enforcement is not as great a concern as might otherwise be the case because the laws of Chile and Singapore essentially reflect core internationally recognized labor rights. Such language would be a concern, however, if contained in future agreements with countries with lesser labor and environmental standards.

Each trade agreement should be judged on its own merits. While the provisions for Chile and Singapore may be acceptable for Chile and Singapore, the language of these agreements would clearly not be acceptable for trade agreements with countries with weaker labor laws or environmental standards. The U.S.-Jordan agreement, with its stronger labor and environment commitments and enforcement provisions, is the more acceptable model for future agreements with countries with weaker standards.

Mr. BIDEN. Mr. President, international trade has always been an important part of the American economy. For the past half century and more, the United States has been a leader in expanding international trade, opening markets around the world to our products. I believe that on balance the evidence shows us that trade has supported economic growth here in the United States, and that trade has supported good jobs and good wages for American workers.

On paper, the simple, textbook logic of trade is clear—more open markets around the world mean more customers for our workers and companies, who can compete with anyone in the world. And open markets mean more choices and lower prices for American consumers—it makes their paychecks go further.

Trade complements and reinforces the great strength of the American economy—its ability to seize opportunities.

To lead the world in research, to be the first to develop new products and processes, we depend on our ability to move investments and manpower where they can do most good. Trade is the international face of that process, that has always been the key to the success of the American economy. But in the real world, where people live, things are not that simple.

Economists like to tell us how well markets work—other things being equal. But those ''other things'' are not always equal. Because trade, by reinforcing the basic process of economic growth and change, reinforces the shift of investment and jobs. So trade contributes to severe disruptions, as factories shut down, people lose jobs, communities decline. It may well be true

that the overall result is a more efficient, more productive, even wealthier nation.

But underneath those gains are the costs of economic change, costs that are just as real and just as much a result of trade as the benefits. The costs of coping with economic change are dumped on workers and their families, on the communities they live in. The benefits of trade often go to businesses and workers in other industries, in other parts of the country.

If the benefits of trade really do outweigh their costs, we should have the resources as a Nation to help those on the losing end, the ones who are paying the price so that our economy can become more productive. Recently, two important shifts have occurred in our trade negotiations. First, we are dealing with countries that more often than not lack the political rights and the legal structure to protect their workers and their environment.

Many of these countries don't have our strong tradition of organized labor, fighting and winning protections for wages and working conditions. Many of these countries don't have the organizations or the laws to protect their environment. We didn't, either, as we began to grow into the world's strongest economy over a century ago.

It took us time and a lot of struggle to learn those lessons.

There are still plenty of countries out there who have not learned them yet, countries that do not provide those protections that can raise living standards, standards that they cannot yet afford. Low-wage competition with our workers, with our higher living standards, can force American companies to cut costs wherever they can—and in the end, that often means cutting labor. That means families without breadwinners, communities without jobs.

Second, on top of the fact that we are now doing trade deals with a lot of countries that don't match up with us in terms of economic development, our trade deals now include a different, deeper level of integration.

We have gone beyond lower tariffs, and into areas that implicate a lot more of our own domestic laws—on issues like agricultural policy, intellectual property, even environmental and health regulations. This deeper integration in the international economy touches close to bone in a country like ours.

We want to be sure that we remain in control of those important political issues. This does not mean that we should stop trying to bring the benefits of markets and trade to American workers and consumers. But it does mean that we have to be increasingly careful with every new step we take in trade policy. The easy work is behind us.

Each step from here on has to be taken with a much closer look at the balance between risks and rewards. But these trade deals before us today do not show that kind of care. Chile and Singapore are good allies of ours, and I support more cooperation and exchange among our economies. They are not, in their living standards and level of development, all that different from us. They are not themselves the issue here, at least not for me.

But the trade agreements the Bush administration has negotiated with them are a step back from progress we have made, as recently as just a couple of years ago, in the Jordan Free Trade Agreement. For example, the Jordan agreement subjects any violation of labor protections to ''appropriate and commensurate'' action. And there is no cap on the penalty that could be imposed as a result of a dispute.

But the Chile agreement and the Singapore agreement provide recourse against a country only for a sustained failure to enforce its own labor and environmental laws. In the worst case, a country could chose to lower its labor and environmental protections, making it easier to avoid a dispute or a penalty, because it would make its own standards easier and cheaper to enforce. At the margin, that would put greater pressure on American firms to cut costs—and jobs.

In addition, in these two agreements there is a cap of $15 million a year on penalties for failure to live up to labor and environmental protections. And those fines are simply paid by the offending country to itself, supposedly to strengthen its commitment to the very standards that they have failed to live up to. I have some experience with crime and punishment, Mr. President, and I can't believe that is going to deter much bad behavior. If $15 million is the maximum fine, it is an incentive to commit more than $15 million worth of violations. You can do the math.

Again, Mr. President, it is not that these two nations raise a serious threat to American living standards. Trade with Chile and Singapore combined amounts to a fraction of 1 percent of our economy. Nor do I harbor any concerns that these countries will fail to live up to their end of the deal. The issue before us now is whether these deals—the first agreements accomplished under fast track negotiating authority—set an acceptable pattern for future, more extensive trade agreements, such as the planned Central American Free Trade Agreement or the Free Trade for the Americas.

These trade agreements fail to treat labor and environmental issues as seriously as commercial disputes, as our trade law now requires. This is the first test of what this administration has done with its fast track trade negotiating authority. Now is the time to hold them to the letter and the spirit of the legislation under which we in Congress granted that authority to this administration. Yet another problem with these agreements lies in the changes in immigration law—done without the participation of the Judiciary Committee.

Fast track for the specifics of trade deals is one thing; but trade deals should not undertake, outside of the legislative process, significant changes in immigration or any other policy. Thousands of new visas can be issued under these agreements—without any requirement to show specific skill shortages here in the U.S. Those immigration provisions usurp congressional legislative powers, and undercut jobs for Americans.

I expressed concerns about the future of trade negotiations when I did not support granting the President fast track negotiating authority last year. We need the strongest protection for our workers here at home, the strongest protection for environmental standards abroad. And we need to make sure that gains from more open trade are gains that all Americans share. In the last decade, up until just a few years ago, we had a growing economy, with strong job creation and wage growth. During that period, we accomplished a number of very significant trade negotiations, including NAFTA, and China's entry into the WTO, both of which I supported. Today, things are very different.

Since January of 2001 we are down 3.1 million private sector jobs, and still counting.

A growing national economy, with strong investment in new sectors, strong employment, and growing incomes, helps to protect American families from job shifts that come from technological changes. So do strong protections for workers to organize and earn fair wages. And so do pensions that are safe, health care that is accessible and affordable. And specific protections for workers directly affected by trade. If those things are in place, the benefits of trade can outweigh the costs. But right now, we can take none of those things for granted.

Under this administration, there is a concerted effort to erode pension protections, the 40-hour work week, and other core worker protections. Our economy is struggling through the worst drought in job creation since the Great Depression. To maintain our living standards, and to maintain political support for increased trade, our trade policy must first be based on strong growth and job creation at home. This administration has not demonstrated to me that they have a plan for economic growth and job creation, or a commitment to protect workers rights.

Without that plan, without that commitment, and because of the flaws in the agreements themselves, I cannot vote for them.

For me, Mr. President, the calculation is simple. If this administration can create one new job, if it can dig us out of the hole we are in—over 3 million jobs lost—trade deals might make more sense.

I challenge this administration to create just one new job—just one more

job than we had in January of 2001—before it brings another trade agreement for our approval.

Mr. JEFFORDS. Mr. President, I rise again today to reiterate my concerns with the Singapore and Chile Free Trade Agreements. Let me remind my colleagues that my concern with these agreements is not with the trade provisions that they contain, but with the changes to our immigration laws.

A vote in favor of these agreements is a vote against our un- and under-employed professional workers. A vote in favor of these agreements is a vote against congressional constitutional authority over immigration.

Let me repeat for my colleagues the numerous problems with the immigration provisions in these agreements:

Creation of entirely new categories of nonimmigrant visas for free trade professionals that do not mirror the requirements of our current H1–B program;

No requirement that H1–B dependent employers make attestations that they are seeking to recruit U.S. workers, and that they are not displacing U.S. workers;

No limit to the number of times that an individual is able to renew his or her visa, enabling the non-immigrant to remain in the United States on a permanent rather than temporary basis;

Only requires that the non-immigrant have knowledge that is ''specialized'' as opposed to the ''highly specialized'' knowledge demanded by the current H–1B law;

Requires, without a numerical limit, the entry of business people under categories that parallel three other current visa categories;

Requires the entry of their spouses and children so that they can join the foreign workers in the United States making the program even less of a temporary visa program;

Requires the entry of foreign workers on L–1 visas regardless of whether they are nationals of Singapore or Chile so long as the sponsoring corporation has an office in those countries;

Requires that the United States submit disputes about whether it should grant certain individuals entry to an international tribunal, not leaving that decision to the Department of Homeland Security.

Finally, and in my mind, most importantly, for all my colleagues, these changes to our immigration law are effectively beyond the reach of Congress to oversee or alter.

The Senate should be focusing today on legislation that will improve our education and job training services, not legislation that will increase the number of foreign workers in this country. We need to make a stand today for our professional workers and vote against these agreements.

Ms. SNOWE. Mr. President, I rise today in support of the pending Free Trade Agreements with Singapore and Chile. Congress has a constitutional obligation to formulate U.S. trade policy and through the oversight activity of the Finance Committee, and the active participation of the Congressional Oversight Group, this responsibility is being met.

I would like to take this opportunity to thank Chairman GRASSLEY for his leadership on the Finance Committee in ensuring that Congress is not on the sidelines in the trade debate, even under the fast-track procedures by which these agreements are negotiated and considered here on the Floor.

It is well known that I have opposed trade agreements in the past. I did so because I never felt that those agreements struck the proper balance between free and fair trade. Last year, I supported trade promotion authority for the President precisely because it did strike the appropriate balance, and because of this administration's commitment to aggressively enforce our trade laws so that American workers aren't undermined by unfair trade.

The two agreements before us today have made substantial progress towards meeting those concerns and they come not a moment too soon, as the success of our economy relies more than ever on fair and freer trade—U.S. exports accounted for one-quarter of U.S. economic growth over the past decade—nearly one in six manufactured products coming off the assembly line goes to a foreign customer and exports support 1 of every 5 manufacturing jobs.

Given these facts, it is an understandable concern that the U.S. has been party to only three Free Trade Agreements ever, while there are more than 130 worldwide. Since 1995, the WTO has been notified of 90 such agreements while the U.S. only reached one, the Jordan Free Trade Agreement. In contrast, the European Union has been particularly aggressive, having entered into 27 free trade agreements since 1990 and they are actively negotiating another 15.

Why should these facts raise concerns? Because every agreement made without us poses a threat to American jobs. Nowhere is this better exemplified than in Chile which signed a free trade agreement with Canada, Argentina and several other nations since 1997.

Since that time, the U.S. has lost one-quarter of Chile's import market, while nations entering into trade agreements more than captured our lost share. According to the National Association of Manufacturers, this resulted in the loss of more than $800 million in U.S. exports and 100,000 job opportunities.

In the three months since the EU-Chile agreement went into effect, the growth rate of EU exports has expanded 8.6 times as fast as U.S. exports to Chile. This represents a disturbing deterioration of the U.S. share of Chile's market. These numbers represent real jobs for U.S. manufacturers that need new markets for their goods to keep employees working and demonstrates the effect of the U.S. failing to move forward with the implementation of these market access agreements.

One industry especially affected was U.S. paper products, which accounted for 30 percent of Chile's imports but has since dropped to only 11 percent after the trade agreements were signed. The market access provisions of the U.S.-Chile FTA provide for the elimination of tariffs on all forest products immediately upon implementation of the agreement, eliminating the 6 percent import tariff on U.S. paper and wood products.

Chilean forest products exports, in contrast, already enjoy duty-free access to the U.S. market. Immediate tariff elimination will put U.S. suppliers on equal footing with Chilean producers and with competing suppliers of forest products from Canada and Mercosur countries, and the European Union.

Before the Canadian-Chile FTA went into effect, U.S. paper and paperboard exports to Chile amounted to 156,000 metric tons, with a value of $99 million and represented 30 percent of Chilean imports in 1997. However, U.S. exports were only 19,000 metric tons, with a value of $26 million, which represented just 8.3 percent of Chile's paper and paperboard imports last year. As a result of the tariff eliminations in this agreement, the U.S. paper industry will now be able to regain access to the Chilean market.

Chilean salmon has been a controversial issue in the past, but recent steps taken by both the Chilean salmon industry and the Maine salmon industry to work jointly on promoting the value of farm-raised salmon has alleviated this concern. The Maine salmon industry supports this agreement, which is monumental considering their past differences with Chile. I have heard from the Maine Aquaculture Association and Maine salmon producers like Heritage Salmon, which support this free trade agreement and look forward to future opportunities in the Chilean market. These two former rival industries have shown a deep understanding of how to evolve in the era of global trade.

Recognizing the potential effects on another industry in my state, USTR provided me with unequivocal assurances about its position on the unique concerns of rubber footwear, and New Balance has indicated to me that they are pleased that USTR has shown sufficient sensitivity to this industry in both the Chile and Singapore FTAs.

The rubber footwear section of the agreement provides for six annual reductions of 5 percent, followed by three of 10 percent and a final one of 40 percent. This nonlinear phaseout honors Ambassador Zoellick's commitment to me that the unique sensitivity of the rubber footwear industry would be reflected in agreements negotiated under Trade Promotion Authority.

Singapore represents Maine's second largest recipient of exports with almost $250 million in 2002, second only to our neighbor to the north. Most of these exports are from the strong semiconductor industry in Maine. I have been told by this industry in my own state that they look forward to the closer economic ties that will be formed under the U.S.-Singapore FTA.

I have also heard from The Baker Company in Sanford, ME, which is a manufacturer of state-of-the-art biological safety and research equipment whose 150 employees do everything from research and development, engineering, manufacturing and even sales from their headquarters in Sanford. The Baker Company represents just one of the many small manufacturers across America whose sales to Singapore will benefit from this agreement. Hopefully, the 135 percent growth in Maine exports to Singapore last year alone will continue under this FTA.

In addition, it is my hope that these agreements will offer new export opportunities for Maine agriculture. I have been told by Maine potato farmers and the Maine Farm Bureau that they support these agreements. While they would have preferred a more accelerated phase-out of some of the tariffs on agriculture exports to Chile, the industry hopes this agreement will allow Maine potatoes to regain some of their previous market-share in Chile that was lost after the Chilean FTA was signed with Canada.

As a result of these two agreements before us today, many industries stand to benefit, including the forest and paper, rubber footwear, salmon, lobster, agriculture, semiconductor, precision manufacturing, and electronic industries of my home state. Therefore, I am optimistic that these two agreements, based on this administration's comprehensive approach to FTA's, are sure to gain strong bipartisan support.

Under this administration, the U.S. approach to trade has greatly improved. However, I have several remaining concerns. While I am pleased by some of the steps taken by USTR to address the interests of small businesses, there is much more still to be done. In addition, while the improvements to Trade Adjustment Assistance have been welcome, I still believe we must address the needs of communities that have been negatively impacted by trade, so that retrained workers have new opportunities for employment.

I look forward to working with my colleagues to address these, and other, concerns and to continue our efforts to promote a U.S. trade policy that benefits all Americans.

Mr. CONRAD. Mr. President, I want to take a few moments to comment on the trade legislation we are considering and our trade policy more generally.

Let me start by saying that I intend to vote in favor of the implementing legislation for both the Singapore and Chile free-trade agreements. In both cases, the agreements will provide commercial benefits to the United States, removing barriers to the exports of our goods and services. Both Singapore and Chile have relatively advanced economies, with relatively strong environmental and labor protections, so the risk of American manufacturing jobs relocating to these countries is small. In short, Chile and Singapore are the sorts of partners we should be seeking out if we are going to negotiate free-trade agreements: partners who are chosen because they can provide complementary commercial opportunities, not partners who are chosen primarily for political, not economic, reasons.

In particular, the Chile Free-Trade Agreement will provide export opportunities for North Dakota agriculture. Ever since the idea of a Chile FTA was first broached more than a decade ago, I have insisted that any agreement must result in the removal of Chile's price bands that have served to limit our wheat exports. This FTA accomplishes that long-held goal. In addition, it levels the playing field with our leading competitor for export sales to Chile. Currently, Canadian wheat exports enter Chile tariff free, but U.S. exports face a 6 percent tariff. This agreement will eliminate the tariff disadvantage our wheat exports currently face and allow us to recapture Chilean export sales we have lost to Canada in recent years.

I would also like to comment briefly on the sugar provisions of the Chile FTA. These provisions were carefully crafted to ensure that Chile could not import sugar to meet its domestic needs and then export its entire domestic production to the United States. In particular, the agreement provides preferential tariff access to Chilean sugar only if and to the extent that Chile is a net exporter of specified sugar products. All other Chilean sugar will be subject to MFN tariff rates. During the Finance Committee's informal consideration of the implementing legislation, I posed a number of questions to Ambassador Zoellick to ensure that the Senate had a full understanding of how these provisions work.

However, important as these provisions are, they cannot serve as a model for other FTAs that the administration is negotiating or considering. Frankly, Chile is a tiny producer of sugar, and it is extremely unlikely that it will ever be a net exporter of any significance. But the same is not true for Australia, Central America, South Africa, or Thailand, all of which are being considered for FTAs. The Chile provisions, if they were included in these other agreements, would devastate our sugar industry.

U.S. producers are highly efficient, and U.S. consumers enjoy some of the lowest prices in the developed world. The fact is that sugar is one of the most distorted commodity markets in the world, with subsidies, protected markets and all sorts of nontariff, nontraditional barriers to free trade. Unless we address these issues on a global basis and eliminate these distortions, I fear that these FTAs will wipe out our efficient sugar industry to the benefit of less efficient, highly subsidized producers in other countries.

More generally, I am concerned that these FTA partners are being chosen primarily on the basis of political and foreign policy calculations rather than on the basis of potential economic benefit to this country. In my view, that is a profound mistake. There has been bipartisan agreement in the Congress that the top priority for U.S. trade policy should be leveling the playing field in agriculture. However, the administration's pursuit of these bilateral FTAs threatens to undermine that goal. Australia, Central America and Thailand are simply not going to be huge markets for U.S. agricultural goods. But imports of sensitive products from these countries could have a devastating impact on important U.S. agricultural commodities. Put simply, there is very little upside to these agreements for U.S. agriculture, and a lot of potential downside.

Moreover, to the extent we are investing significant resources in negotiating these bilateral FTAs, we are diverting resources away from the WTO agriculture negotiations, which should be our primary focus. Only by addressing the market access barriers and inequities in domestic support on a worldwide basis can we be sure that U.S. agriculture will achieve the level playing field and access to growing markets that it needs to thrive in the 21st century.

Finally, I share the concerns of many of my colleagues about the disappearance of U.S. manufacturing jobs and the hollowing out of our industrial base. As we look forward to trade negotiations with the low-wage nations of Central America and Thailand, we must tailor the labor provisions of these agreements to fit local conditions so that we do not allow exploitative conditions that give these countries an unfair advantage over U.S. businesses.

In conclusion, I support these agreements. They will provide modest economic benefits to our country. But they cannot and should not serve as one-size-fits-all models for future bilateral FTAs. Future agreements must be constructed very carefully, taking into account the strengths and weaknesses of our various trading partners, to ensure that they provide commercial benefits to U.S. agriculture, services, and manufacturing.

I ask unanimous consent to print the following information in the RECORD from questions I submitted to Ambassador Zoellick.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

AMBASSADOR ROBERT ZOELLICK RESPONSES TO QUESTIONS SUBMITTED FOR THE RECORD BY SENATOR KENT CONRAD OF NORTH DAKOTA, SENATE FINANCE COMMITTEE, JULY 10, 2003

1. Chile Sugar Provisions. Ambassador Zoellick, as you well know, the details of

trade agreements are critically important. I want to have on the record an understanding of how the sugar provisions in the Chile agreement work, so I have a series of questions on this issue.

First, my general understanding is that this agreement gives Chile preferential access to the US sugar market, but only if and to the extent that Chile has a net trade surplus in sugar. Is that correct?

More specifically, my understanding is that the agreement defines a net trade surplus in sugar as total exports of sugar, sugar containing products and high fructose corn sweetener minus total imports of these products, except that Chilean imports of HFCS from the US don't count. Is that correct?

Third, my understanding is that unless Chile has a net trade surplus in sugar, Chile will not get any preferential access under the agreement, and not just during the 12 year phase in, but in perpetuity. Is that correct?

Fourth, my understanding is that if Chile does have a net trade surplus in sugar, the agreement gives Chile up to 2000 tons of duty free access immediately, gradually increasing to up to 3258 tons in year 11 of the agreement. Is that correct?

Fifth, to the extent that Chile's net trade surplus is less than the TRQ limit, my understanding is that Chile's duty free access would be limited to the amount of its trade surplus in sugar. Is that correct?

Sixth, my understanding is that the agreement gradually reduces the over quota duty to 0 over the 12 year phase in period. Is that correct?

Seventh, my understanding is that this preferential over quota duty rate would be limited by the amount of Chile's net trade surplus, and any imports above this would be subject to the MFN rate. Is that correct?

Finally, after the end of the 12-year transition period, my understanding is that Chile's duty free access to the US would be limited to the amount of its net trade surplus in sugar. Is that correct?

Response: With respect to trade is sugar and sugar-containing products (SCPs), we are pleased that we were able to reach agreement with Chile on provisions to address our industry's concern that the FTA not operate as a vehicle for the transshipment of sugar produced in third countries. Accordingly, each side agreed that its access to the other's market under the agreement will be limited to the amount of its net trade surplus in specified products.

Your understanding of these provisions is correct. To summarize:

During the transition period, Chile's duty-free access for specified sugar products and SCPs will be limited to the lesser of the specified in-quota quantity or the amount of Chile's net trade surplus. Chile's net trade surplus will be based on the difference between Chile's imports and exports of sugar. SCPs, and high fructose corn syrup (HFCS), not including imports of HFCS from the United States.

During the transition period, if Chile's net trade surplus exceeds the specified in-quota quantity, then a declining over-quota tariff will be applied on the amount by which the net trade surplus exceeds the specified in-quotas quantity.

After the transition period, Chile's duty-free access will be limited to the amount of its net trade surplus.

During and after the transition period, any imports in excess of Chile's net trade surplus would be subject to our prevailing normal trade relations/most-favored-nation tariff rate.

Implications for Other FTAs. Ambassador Zoellick, I would also like to raise a concern I have regarding the implication of these sugar provisions for the other FTAs that are being negotiated. Frankly, Chile is a tiny producer of sugar, and it is extremely unlikely that it will ever be a net exporter of any significance. But the same is not true of Australia, Central America, South Africa, or Thailand, all of which are being considered for FTAs. The Chile provisions, if they were included in these other agreements, would devastate our sugar industry.

U.S. producers are highly efficient, and U.S. consumers enjoy some of the lowest prices in the developed world. The fact is that sugar is one of the most distorted commodity markets in the world, with subsidies, protected markets and all sorts of non-tariff, non-traditional barriers to free trade. Unless we address these issues on a global basis and eliminate these distortions, I fear that these FTAs will wipe out our efficient sugar industry to the benefit of less efficient, highly subsidized producers in other countries. Can you assure me that you do not intend to just take the Chile provisions and apply them to these other countries but will instead look to some other approach that takes into account the amounts of sugar these countries are capable of exporting into our country?

Response: As reflected in the outcome of the Chile negotiations, we are sensitive to our industry's concerns. We recognize that each negotiating partner has a different capacity for trade in sugar, and we will continue to consult with our industry and Congress as we move forward in our other negotiations. We also remain strongly committed to addressing global distortions that affect sugar trade in the WTO negotiations, and we will continue to consult closely with Congress and the sugar industry on these issues.

Mr. THOMAS. Mr. President, as the world's largest trading Nation, trade is key to the long-term economic growth of the United States. Nearly, 26 percent of the United States' gross domestic product is directly tied to trade activity. One in three acres is planted for export to other nations and mare than four out of ten products manufactured in the United States are exported.

The United States needs to foster strong trading relationships to create opportunities for domestic businesses and entrepreneurs. As chairman of the Subcommittee on International Trade, I heard from manufacturers, ranchers, and financial service companies on the importance of opening new markets to U.S. goods and services. The agreements we are considering today represent two opportunities we cannot afford to let pass by.

Since 1997, exports from the United to Chile have fallen from 24 percent to just under 17 percent. Exports from countries with trade agreements with Chile have risen during the same time period from 25 percent to 34 percent. Manufacturers and farmers in the United States have already lost one-third of the Chilean import market to countries with trade agreements with Chile. The National Association of Manufacturers estimates that the current lack of a trade agreement with Chile costs exporters, $800 million per year in lost sales, affecting 10,000 jobs in the United States. We must act now to reverse this trend.

Upon passage of the Chile agreement, more than 85 percent of consumer and industrial products will immediately become duty-free, with most remaining tariffs eliminated within 4 years. More than three-quarters of farm goods from the United States will enter Chile tariff free within 4 years with all tariffs phased out within 12 years.

The Singapore trade agreement will provide similar benefits to United States businesses. Singapore is America's twelfth largest trading partner, with annual two-way trade of goods and services of more than $30 billion. After the agreement goes into effect, all exports from the United States to Singapore will enjoy zero tariffs. The agreement will also guarantee fair and non-discriminatory treatment and greater market access for United States firms into Singapore's financial and services industry.

Expansion of trade opportunities for businesses and industry in the United States is good for our Nation. These agreements create new access opportunities for goods and services from the United States. They are good for our ranchers and farmers, and I support passage of the United States-Singapore, and the United States-Chile trade legislation.

Mr. DURBIN. I support the Singapore and Chile Free Trade Agreements. I maintain reservations about certain sections of this agreement, but overall I believe that this Free Trade Agreement succeeds in lowering tariffs on American goods entering Chile and Singapore.

We are deciding today whether or not to allow American farmers, manufacturers, businessmen and women to trade their products, their ideas and their goods.

Expanding trade goes hand in glove with disseminating and distributing the values of America. That is why I have supported many trade agreements.

The United States-Singapore and United States-Chile Free Trade Agreements, FTA, include strong and comprehensive commitments by Singapore and Chile to open their goods, agricultural and services markets to U.S. producers. The agreements include commitments that will increase regulatory transparency and act to the benefit of U.S. workers, investors, intellectual property holders, business and consumers.

These agreements have one of the highest levels of intellectual property rights protections that we have ever had in any trade agreement with any other nation. We are concerned about the rights of those who create music, entertainment, software, and technology products, and we are concerned about manufacturers' patents.

I am particularly pleased about the benefits this agreement provides with respect to agriculture. The Chile Free Trade Agreement will eliminate tariffs on 85 percent of the U.S. exports to Chile immediately. Under the United States-Chile Free Trade Agreement, American workers, consumers, businesses, and farmers will enjoy preferential access to a small but fast-

growing economy, enabling trade with no tariffs and under streamlined customs procedures.

This is good news for my home state of Illinois as over 75 percent of U.S. farm goods, including pork, beef, wheat, soybeans, feed grains, and potatoes will enter Chile duty-free within 4 years. Other duties on U.S. agriculture products will be phased out over 12 years.

In addition, an agreement was worked out with Singapore and U.S. trade negotiators on allowing chewing gum into the country. This is beneficial for Illinois because the government will only allow two brands of gum, both produced by Wrigley.

While some of the provisions in these FTAs could serve as a model for other agreements, a number of provisions clearly cannot be, nor should they be. I believe that each country or countries with whom we negotiate are unique; and while the provisions contained in the Chile and Singapore FTAs work for Chile and Singapore, they may not be appropriate for FTAs with other countries, where there may exist very different circumstances.

I have concerns that the administration may use some of the provisions contained in the agreements as models for other FTAs, such as the Central America Free Trade Agreement, CAFTA, where the conditions may make it inappropriate to do so. Specifically, with regard to the labor and environmental provisions, there are separate dispute settlement rules that place arbitrary caps on the enforcement of those provisions. Moreover, these agreements contain an ''enforce your own laws'' standard for dealing with labor and environmental disputes. Many of us support Chile and Singapore Free Trade Agreements not only because they have decent labor laws, but because they have the ability and willingness to enforce them.

Concerns about labor and environmental standards, however, should receive careful scrutiny on a case-by-case basis as different circumstances and situations warrant. Use of the ''enforce your own law'' standard is invalid as a precedent—indeed is a contradiction to the purpose of promoting enforceable core labor standards—when a country's laws clearly do not reflect international standards and when there is a history, not only of non-enforcement, but of a hostile environment towards the rights of workers to organize and bargain collectively. Using a standard in totally different circumstances will lead to totally different results.

My vote for the Chile and Singapore FTA's should not be interpreted as support for using these agreements as a model for future trade negotiations. I will evaluate all future trade agreements on their merits and their applicability to each country to ensure that core international labor rights and environmental standards are addressed in a meaningful manner. Expanded trade is important to this country and the world; but it will be beneficial to a broad range of persons in our nation and in other nations only if these trade agreements are carefully shaped to include basic standards, including the requirement that nations compete on the basis of core rights for their workers, not by suppression of these basic rights.

I support the promotion of free trade, but I join my colleagues on both sides of the aisle in expressing concern that the Administration is mandating immigration policy that is the purview of Congress. This should never happen again. The United States Trade Representative, USTR, should not be creating new immigration strategies. While I support the free trade agreements with Chile and Singapore, I want to convey to USTR that I will look long and hard at any free trade agreements that include similar immigration provisions in the future.

Mr. LEAHY. Mr. President, I will vote in favor of the Free Trade Agreements with Chile and Singapore because the benefits of the intellectual property and anti-piracy provisions in these agreements outweigh the valid concerns that have been raised about the inclusion of immigration provisions.

At the outset, let me begin by expressing my disappointment that the administration short-circuited the proper consideration process for these implementing bills through its decision to transmit them to Congress 2 days before the Judiciary Committee's scheduled debate, and before responding to written questions from this committee's members. To be fair, the administration did eventually respond to these questions. Of course, as the responses themselves pointed out, ''the implementing bill cannot be modified after its introduction.''

The administration apparently views the Judiciary Committee simply as an obstacle to be overcome as quickly as possible, and not as a source for possible improvements to its legislative proposals. As a result of the administration's undue haste—and the Judiciary Committee's failure to begin consideration of these measures early enough to guarantee that it could have meaningful input—we were deprived of the opportunity to propose changes in the implementing legislation. Instead, we were required to conduct an up-or-down vote on final passage of these implementing bills only 2 days after their introduction.

I share the concerns expressed by Senators FEINSTEIN, LINDSEY GRAHAM, and SESSIONS that the U.S. Trade Representative should not be in the business of amending domestic immigration laws, as these treaties do. The decision to include immigration provisions was not only unauthorized by Congress but also unnecessary to achieve the administration's stated goals. Congress has already created the H–1B program, which allows foreign workers with specialized skills to work in the United States. That program was established after a lengthy process of public hearings, debate, and negotiation. If the administration feels that program needs to be changed, or a new visa category created, it should have sought to do so through the ordinary legislative process.

This matter is of particular concern because these agreements are widely viewed as the template for future trade agreements, many of which are being negotiated as we speak. I hope that the administration has gotten the message from members on both sides of the aisle and both chambers that Congress does not intend to delegate its power over our immigration system to the executive branch. I for one believe that we should do more than express our concerns and hope that they are heeded. As a result, I have introduced the Congressional Responsibility for Immigration Act, a bill to prevent the use of fast-track procedures for trade agreements that include immigration provisions.

On the whole, however, I support these agreements because they recognize that intellectual property, and our response to international piracy in particular, is an integral part of any trade structure. The United States is the world's leading creator and exporter of intellectual property. That means we are also the world's leading target for piracy of copyrighted works. New technology has made piracy cheap and easy, and everything from music to films to books is susceptible to this kind of theft. At the same time, the advent of new technologies means that international distribution of copyrighted works is increasingly viable, and necessary, if the U.S. intellectual property industry is to continue to thrive.

These agreements go a long way to harmonize the intellectual property laws of Singapore and Chile with those of the United States. They make IP systems in each country more transparent, uniform and predictable. This is a significant benefit to U.S. industries that depend on transparency and predictability in order to be able to protect their rights in these countries. The agreements also call on the countries to recognize and uphold the rights of authors to control the electronic dissemination of their works, and to protect the encryption technology that safeguards such electronic dissemination. This too is important, because more and more intellectual property is being distributed electronically. If intellectual property holders cannot securely distribute their works in electronic form, a major source of revenue is lost, and American creativity is hampered.

Intellectual property is increasingly an international business, one that needs an international approach to many of its problems. Despite my concerns about the immigration provisions in these agreements, I will support their passage because they improve

international cooperation on intellectual property issues.

Mr. CHAFEE. Mr. President, today the Senate takes up legislation to implement important free trade agreements with Chile and Singapore. Through the tireless efforts of President Bush's forward-looking Trade Representative Robert Zoellick, the U.S. has signed trade pacts that will strengthen relations with two of our best friends worldwide: Chile and Singapore. Congress ought to do our part so the people of all three nations can realize the benefits of these agreements. I commend President Bush and Ambassador Zoellick their hard work in negotiating these agreements, and for upholding the principle that economic engagement worldwide works for the betterment of all the world's people.

Like most of our friends and neighbors throughout the world, the United States faces serious economic challenges, particularly as we strive to work our way out of a period of recession and growing budget deficits. One means, and certainly not the only one, of strengthening our own economy while lifting others around the world, is to lower trade barriers and open markets. The promotion of free trade has characterized economic relations among the nations of the world during recent years. Our competitors in Europe, Asia and Latin America have sealed deals on about one hundred and thirty preferential trade compacts, some within our own hemisphere.

Yet the U.S. is party to only three of these agreements—NAFTA and respective free trade agreements with Israel and Jordan. I was astounded to learn that the European Union now exports more to South America than the United States. Congress would do the American people an injustice if we allowed the U.S. to continue to be left behind as the force of free trade go on benefiting others around the world.

Free trade, rather than imposing U.S. values and robbing peoples of their culture, creates new economic opportunities and helps raise the standard of living for millions of people. Our experience with NAFTA, for example, shows how profoundly this agreement has boosted exports and created jobs. Indeed, U.S. merchandise exports to Mexico were up almost 170 percent in NAFTA's first eight years, well above the overall U.S. increase. For Mexico, the news is also positive, as the NAFTA-related export boom was responsible for more than half the 3.5 million jobs created there since 1995.

Free trade is also a successful poverty reduction tool. Consider this: since 1987, 140 million people in the trade-dependent economies of East Asia have been removed from he ranks of abject poverty. On the other hand, economically isolated South Asia and much of Africa experienced an increase in poverty during the 1990s.

But the economic potential of regional and bilateral free trade agreements tell only part of the story. It is my view that strengthening economic bonds between the U.S. and developing nations will concurrently strengthen and encourage the forces of political reform as well.

The experience of Mexico is illustrative. Most observers give at least some credit to NAFTA for encouraging Mexico's political maturity, which saw the peaceful replacement of a political party that had a 70-year lock on that nation's presidency. Future free trade initiatives in Asia, Latin America and the Middle East could encourage the kind of dramatic political gains that, in recent decades, have transformed many of the world's nations from authoritarian regimes into functioning democracies.

Trade in goods and services between Chile and the U.S. is growing and today amounts to more than $8 billion. Under this FTA with Chile, more than 85 percent of bilateral trade in consumer and industrial products becomes tariff-free immediately, with most remaining tariffs eliminated within four years. Enactment of this agreement will improve an already strong U.S. relationship with a nation that has overcome a legacy of political division. Chile's military coup and resulting dictatorship in the 1970s and 1980s has today been replaced by a functioning, outward-looking democracy. And it is not surprising that Chile's commitment to free trade has taken place concurrently with its political reconciliation and growth.

The Singapore free trade agreement is the first U.S. FTA with an Asian nation and could spur future similar initiatives in that important region of the world. It will strengthen an already strong economic relationship with America's 12th largest trading partner by guaranteeing zero tariffs immediately on all U.S. goods entering Singapore. The $40 billion in two-way trade in goods and services between the U.S. and Singapore will surely increase through this FTA.

And both of these agreements do far more than simply encourage additional free trade. Like our free trade agreement with Jordan, these agreements with Chile and Singapore include strong provisions related to labor and the environment. Under them, all three countries agree to: One, support International Labor Organization (ILO) core labor standards and internationally recognized worker's rights and, two, effectively enforce their own labor laws in the trade-related matters. Penalties for violations are $15 million annually, with failure to pay leading potentially to suspension of benefits.

These agreements also do not forget the need to ensure protection of the environment. Under them, parties are to ensure that their domestic environmental laws provide for high levels of environmental protection and are effectively enforced. Parties must also strive to continue to improve their environmental laws. Finally, the agreements make clear that it is inappropriate to weaken or reduce domestic environmental protections in order to encourage trade or investment. These environmental provisions are not just words: they are obligations enforced through each agreement's dispute settlement procedures.

Approval of these two FTAs today is an important early step in implementing a bold free-trade agenda. Other such agreements with a great many other nations are either being negotiated or are under consideration. I am hopeful that today's strong vote in Congress will encourage increased U.S. economic engagement and bring about additional market-opening, job-creating free trade agreements. I urge all of my colleagues to support this much needed legislation.

UNITED STATES-SINGAPORE FREE TRADE AGREEMENT IMPLEMENTATION ACT

The PRESIDING OFFICER. Under the previous order, the clerk will report H.R. 2739.

The legislative clerk read as follows:

A bill (H.R. 2739) to implement the United States-Singapore Free Trade Agreement.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. FRIST. Mr. President, I ask unanimous consent that the next votes in the sequence be limited to 10-minute votes; further, that it be in order to ask for the yeas and nays on passage of the next two bills with one show of hands.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. FRIST. I now ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second?

The yeas and nays are ordered on both measures.

Under the previous order, all time is yielded back. The clerk will read the bill for the third time.

The bill was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Massachusetts (Mr. KERRY) and the Senator from Connecticut (Mr. LIEBERMAN) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 66, nays 32, as follows:

[Rollcall Vote No. 318 Leg.]

YEAS—66

Alexander	Bennett	Bunning
Allard	Bingaman	Burns
Allen	Bond	Campbell
Baucus	Breaux	Cantwell
Bayh	Brownback	Carper